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SUBJECT: FOOD SECURITY IN GUATEMALA: VISIT OF ALTERNATE
PERMREP, APRIL 25 - MAY 2, 2004

1. Summary: Travel of U.S. Mission Rome's Alternate Permanent Representative to Guatemala provided an opportunity for review of selected projects of the World Food Program (WFP), the UN Food and Agriculture Agency (FAO) and the International Fund for Agricultural Development (IFAD) in rural areas around the Lago de Atitlan (Solola') and in Alta Verapaz. The field visits provided graphic evidence of poverty and need, as well as vivid demonstrations of how the UN agencies are working effectively, filling complementary roles, to address these issues. Although Guatemala has the highest rate of chronic malnutrition in Latin America -- the legacy of years of civil strife and economic and climatic uncertainties -- it is encouraging that the new reform-minded government has identified combating hunger and malnutrition as a top priority. Among the issues that need to be addressed are the continuity of school feeding programs in the face of fluctuating donor support, unsustainable use of forests and other resources, the need for strengthened regional cooperation, and the potential impact of HIV/AIDS. End summary.

BACKGROUND -----

2. Alternate Permrep to the UN Agencies for Food and Agriculture in Rome, Willem Brakel, visited Guatemala April 25 - May 2 to review the field activities of the Rome-headquartered UN agencies for food and agriculture, and (septel) to participate in the FAO Regional Conference for Latin America. Also participating in several of the site visits were WFP/FAO Desk Officer Sharon Kotok (State/IO/EDA), and Guatemala-based Regional Food for Peace Officer David Hull. This report does not purport to be a comprehensive review of food security or rural development activities in Guatemala, but rather seeks to highlight noteworthy activities and lessons learned, particularly with regard to actual and potential synergies among the programs of WFP, FAO, IFAD and other UN agencies and their complementarity with USG bilateral assistance. This cable may be read in conjunction with septel covering field visits in Nicaragua. The assistance of the WFP and FAO Permanent Representations, the IFAD Country Program Manager, and the USAID Mission and U.S. Embassy in facilitating the visit is gratefully acknowledged.

3. Guatemala currently has the highest rate of malnutrition in Latin America, affecting 49.3% of children under five, according to the 2002 National Survey of Maternal-Child Health. According to WFP, the World Bank and other agencies, food security in Guatemala has been deteriorating for a number of years. Domestic food production failed to keep up with population growth from 1990 to 1997. Local production of the country's major food staples covers only an estimated 60 percent of demand. As a result, many poor families face food shortages. The situation has been exacerbated by climatic irregularities, a decades-long history of political instability, and recent unfavorable international economic developments such as the precipitous decline of coffee producer prices.

GOVERNMENT'S STAND ON HUNGER -----

4. The Guatemalan government has recognized hunger as a serious problem and publicly stated its intention to make food security a priority. For instance, at the opening of the FAO Regional Conference on April 28, we heard President Oscar Berger reaffirm that "our government ... has recognized with sincere humility Guatemala's sad food picture, and has made the commitment, decisively and on a priority basis, to fight to substantially raise the

nutritional level of all of the children of Guatemala, which

occupies a shameful place on the world scene in this and other aspects of human wellbeing. We frankly accept that, throughout all its history and with only brief exceptions, our country has not made the effort to overcome the low levels of nutrition of Guatemalan children. And almost always when efforts of this type have been carried out, they have been of a remedial nature, without attacking the fundamental causes that explained and gave rise to this historic flaw.... We aspire to attaining high nutrition levels for all Guatemalans, and we know that the path to this objective is through increasing the productivity of agriculture and [other] economic sectors of our country."

15. The importance the Guatemalan government attaches to food security was reinforced by Andres Botran, Commissioner of the Front Against Hunger, during his meeting with us on April 26. Vice President Eduardo Stein and First Lady Wendy de Berger launched the Front in February 2004. Botran, whose family is prominent in the business community, is particularly focused in getting the private sector more involved. He said he is working to complete within the coming weeks a master plan to reduce hunger. He talked a lot about transparency in handling private sector donations and the utility of putting more information on the Internet. Botran, who is articulate and enthusiastic, is undoubtedly raising the profile of the fight against hunger, but it remains to be seen how much in the way of new mechanisms and resources he can bring to this effort.

WFP OPERATIONS

16. WFP's 2001-2004 Country Program (CP) in Guatemala aims to achieve a sustainable improvement in food security and nutrition for approximately 245,850 beneficiaries in areas targeted by vulnerability assessment and mapping. There is special focus on areas affected by internal conflict, with high vulnerability to natural disasters and a high rate of social exclusion. WFP's contribution under the CP amounts to about \$15.3 million. The anticipated host government contribution is \$23.4 million. The CP is being implemented through the following activities: (1) food assistance and training to pre-school children and expectant and nursing mothers, (2) primary school feeding, (3) support for food-insecure households in the resettlement process, (4) creation of assets to cope with natural disaster-related vulnerability, and (5) disaster mitigation and emergency preparedness. In addition, Guatemala benefits from the \$66.8 million Protracted Relief and Recovery Operation (PRRO) for Central America, providing targeted food assistance in 2003-2006 for persons affected by shocks and the recovery of livelihoods. The USG contributes an estimated 86% of resources to WFP programs in Guatemala; Japan and Switzerland are the other major donors.

FAO ACTIVITIES

17. FAO has four major ongoing activities in Guatemala under its Technical Cooperation Program (TCP) amounting to \$1.15 million and including activities related to (1) diversification of production in coffee-growing areas, (2) support for the national agricultural and livestock census, (3) strengthening regulation and management of the shrimp fishery and the capacity of fisheries authorities, and (4) fire management in the agricultural lands and forests of Peten. In addition, there are two major projects supported by voluntary Trust Fund contributions: \$1.64 million from Spain for implementation of the Special Program for Food Security (SPFS) and \$0.7 million from Italy to support national food security and poverty-reduction programs.

IFAD-FUNDED PROGRAMS

18. IFAD's loan portfolio includes three ongoing projects in Guatemala: the National Rural Development Program for the Western Region - SDR 21.55 million (\$31 million); Rural Development Program for the Verapaces (PRODEVER) - SDR 10.45 million (\$15.0 million); and the Rural Development and Reconstruction Program for the Quiche Department (PRODERQUI) - SDR 10.45 million. PRODEVER (see below) targets marginalized and subsistence producers, landless rural families, woman-headed households, microenterprises and small traders; its aim is to reduce rural poverty by strengthening community organizations, increasing participation and gradually transferring responsibilities for the implementation of services to the beneficiaries. An additional IFAD project in eastern Guatemala is in the design stage.

USG ACTIVITIES

19. USAID's program in Guatemala, valued at \$44.98 million

(FY 2004 budget request), covers objectives in health and education, increasing rural incomes, and democracy. In the area of food security, there are ongoing USG activities under the McGovern-Dole initiative with U.S. NGO, Food for the Poor (\$5 million); Food for Progress and 416(b) surplus stocks with PCI (\$4 million), and private PL-480 with wheat millers (\$6 million). A government-to-government Food for Progress (\$5 million) is in the pipeline. FY 2004 Title II activities to date have amounted to \$13.9 million. In addition, USAID is funding development of a Meso American Food Security Early Warning System (MFEWS).

PROJECTS VISITED

10. The following are highlights of sites visited.

(1) WFP Primary School Feeding, San Pablo La Laguna, Solola':

Hemmed in by steep hills and with three major volcanic peaks forming a dramatic backdrop, scenic Lago de Atitlan is one of Guatemala's prime tourist destinations, yet the inhabitants of some of the lakeside towns are among the country's poorest. The local population, particularly the indigenous people, suffered grave human rights violations in the 1970s. We visited San Pablo La Laguna, an isolated town of about 5,700 that is most easily reached by boat. An estimated 84% of the population lives below the poverty line and 89% of first-grade children are chronically malnourished -- the highest rate in the country. At the local primary school, we saw a project that distributes balanced hot meals to some 930 children daily. WFP provides dry skimmed milk and corn-soy blend, the Ministry of Education contributed \$0.13 daily per child, and the children's mothers take turns preparing the food. Teachers report a marked improvement in student attendance (particularly among girls) and performance since the project started in 2003.

(2) FAO Special Program for Food Security projects, San Pablo and San Pedro La Laguna, Solola':

We visited small indigenous community associations where members, mostly women, are encouraged to diversify their household diet and increase their income by planting vegetable gardens and raising chickens in henhouses made of cheap locally available materials. The plots of land were very small, but even in the cramped space these communities

were seen to result in an improved standard of living, though questions remain about the continuity and sustainability of these activities once external support ends. One U.S. Peace Corps volunteer is participating in the project.

(3) WFP/FAO Productive Project, Smallholder Community of Xibalbay, Solola':

This fully operational project aims to reduce food insecurity by diversifying and intensifying agricultural production through the introduction of an irrigation system. About 13 km of piping, together with branches, ditches, terracing, greenhouses and related infrastructure are involved. Some 250 indigenous families have received training in agronomy (staggered planting, integrated pest management, post-harvest treatment) and marketing. They are currently producing flowers and vegetables such as broccoli and tomatoes for sale domestically and internationally. The project demonstrates the benefits of coordinated support from various agencies and donors: FAO/SPFS provided \$179,500 in materials and technical assistance; WFP provided \$16,000 in food rations as an incentive for the community to provide manual labor and transportation services valued at \$84,000; the Spanish cooperation agency provided agricultural items; the Agriculture Ministry did feasibility and topographic studies.

(4) WFP Community Distribution Center, Santa Cruz Verapaz, Alta Verapaz:

We visited this distribution center, housed in a municipal warehouse, which assists 75 children and their families suffering from acute malnutrition. The project, slated to run from September 2003 to February 2006, involves WFP (which provides \$5,625 in food assistance every two months), UNICEF (which provides training and educational materials) and national and local health officials. A young nurse practitioner explained how he maintains records on each child and how he imparts lessons on hygiene and nutrition to the mothers. We saw several women from the community preparing a hot meal for the children. Once the children have recovered nutritionally, food assistance will be provided under food-for-work and food-for-training schemes.

(5) WFP Preschool Day Care Center, - San Cristobal Verapaz,

Alta Verapaz:

This is one of a number of daycare centers in Verapaz, each operated by a woman caregiver in her own home under a countrywide initiative of the Secretariat of Social Works, under the patronage of Guatemala's First Lady. About a dozen children under six years of age were being cared for in this modest but clean facility. The children's parents are generally low-income workers active in agriculture, laundry or street vending. WFP provides food to these centers in order to improve the nutritional status of the preschool children, while the Ministry of Education provides teachers to enhance cognitive skills.

(6) WFP Food-for-Work Housing Project for Displaced Persons, Nuevo Porvenir Community, Coban, Alta Verapaz:

This project assists a group of 87 families that fled from Huehuetengango to Mexico in 1982 during the civil conflict, and who only returned to Guatemala in 1997. They were resettled on a 1300-hectare farm/ranch that they operate as a cooperative. Recently, WFP provided \$5,665 in food assistance for the construction of 25 houses (14 of which have been completed); 62 houses were built in 1999 under Phase 1 of this program. Our visit on April 30 showed that this community continues to face many difficulties, despite

the support they have received from the National Peace Fund (FONAPAZ), the National Housing Fund (FOGUAVI) and WFP. The settlement is located at the end of a long, badly maintained dirt road, 43 km north of the town of Coban. There is no electricity, no adequate supply of potable water, and the nearest clinic is 15 km away. While grateful for the food assistance, community representatives told us that the cereals given have been almost entirely in the form of rice, which is not a significant part of their traditional diet. (WFP explained that it takes local eating habits into account, but is constrained by the commodities the donors supply.) Some men from the community have returned to Mexico to work, but other remain, hoping to make a living growing coffee and cardamom, and raising livestock. They will need further support in terms of training, municipal services and infrastructure if they are to succeed.

(7) IFAD-PRODEVER: Rural Access Road, Jolomijixito III, La Tinta, Alta Verapaz:

This is the first of four IFAD-funded projects visited under the government's Rural Development Program for Alta and Baja Verapaz (PRODEVER). We witnessed the inauguration of a 2-km access road that connects the village of Jolomijixito III in the Sierra de las Minas with a neighboring town and to the Polochic Valley that they overlook. IFAD Vice President Cyril Enweze was guest of honor at a colorful opening ceremony that brought the local citizenry together with government officials at the federal, departmental and municipal level. The new road is one of seven, totaling 13.45 km in length, intended to facilitate access of local producers to markets and services in Alta Verapaz. PRODEVER staff complained to us that the federal government's Natural Protected Areas Commission has been slow to grant construction permits in this area, which is a designated buffer zone for an adjacent natural reserve. While their frustration is understandable given that the forest is already heavily settled and largely cleared for cultivation, it is regrettable that the Commission seems to be perceived as an adversary, rather than as an ally in the effort to develop the area sustainably.

(8) IFAD-PRODEVER: Sierra Las Minas Farmers' Cooperative Enterprise, Jolomijixito III, La Tinta, Alta Verapaz:

On the outskirts of the village, we visited a farmers' cooperative that has started a poultry egg business. Community leaders had approached PRODEVER for assistance in 2003, and with the latter's training and assistance a group of 15 was able to organize itself and develop the business skills necessary to set up the egg project. Business appears to be booming, and the cooperative has expanded from 15 to 30 active members.

(9) IFAD-PRODEVER: Local Capacity Strengthening, Santa Catalina La Tinta:

This project was designed by PRODEVER in 2002 to promote the organization, good management and productivity of rural communities. Some 120 persons representing 80 different community organizations received weekly training over the course of 14 weekends. Participants were taught hands-on, practical skills needed for the development and management of community development projects. We visited the Santa Catalina's municipal building, where a small Internet center has recently been set up. There we met Francisco Cac Rax, who heads the Chab'il Tul Association of Plantain Producers of the Polochic Valley. Don Francisco, like other project

beneficiaries, has learned to use e-mail and the Web to make contacts and obtain market information.

(10) IFAD-PRODEVER: Cardamom Production Project, Santa

Rosario, Senahu', Alta Verapaz:

On the northern slopes of the Polochic Valley we visited a pilot project for the drying and sale of cardamom seeds. The herbaceous cardamom plant, originally from South Asia, thrives in some coffee-growing areas of Guatemala where it could be a potential alternate source of income for erstwhile coffee producers. Sold fresh to local buyers, the cardamom "cherries" do not get a good price, but if producers from a community pool their resources and prepare their own dried seeds, production becomes much more lucrative. The cooperative headed by Don Ricardo Chub has bought and installed two driers, and after an initial pilot run this past season hopes to scale up operations for the next harvest, in August.

CONCLUSIONS

11. U.S. Mission Rome offers the following observations and comments based on the visit to Guatemala.

-- The Guatemalan government's explicit identification of food security as a priority issue is encouraging, but a lot will depend on how the rhetoric is followed up with concrete actions. The turnover in key government personnel involved in food and nutrition activities has hampered progress.

-- The continuity and sustainability of WFP school feeding program remains in doubt, partly because of uncertain USG funding commitments. Concerned parties may wish to consider additional ways to publicize and call attention to the issue.

-- FAO's Special Program on Food Security in Guatemala is doing important work in some parts of the country to address longer-term issues of agricultural productivity and increasing rural incomes.

-- We saw good examples of the complementary roles of WFP and FAO in the field, particularly at Xilbalbay. Further opportunities for cooperation and coordination should be explored.

-- Other forms of cooperation may allow FAO to multiply the impact of its limited resources. For instance, the 2002 Aide Memoire between FAO and the Inter-American Institute for Cooperation on Agriculture (IICA) provides a framework for closer collaboration between FAO and IICA that remains underutilized.

-- IFAD is an important partner in addressing rural poverty in the areas where it is active, targeting some of the poorest populations, particularly indigenous groups. The emphasis on decentralization and strengthening of municipal governments and local communities is noteworthy. Construction of access roads is a tool to stimulate commerce and other services that benefits the entire community in hitherto-isolated villages.

-- Even though IFAD has no permanent staff in country, its energetic Rome-based Country Program Manager has developed very close and effective working relations with federal and local officials and other stakeholders through twice-yearly country visits. He is very engaged with and knowledgeable about the projects and the key players.

-- More could be done on a regional basis to tackle the problems of food insecurity. This is particularly important with regard to pockets of food insecurity concentrated along border areas that tend to fall between the cracks of national programs.

-- Various elements of the U.S. Embassy and USAID Mission involved in humanitarian relief and food security issues may wish to explore opportunities for closer coordination.

-- More attention should be given to the potential impact of HIV/AIDS on food security.

-- We were struck during the trip along the Polochic River Valley and elsewhere at the apparent scale of environmental degradation, including extensive clearing and cultivation of steep hillsides, rampant deforestation, and encroachment into designated natural protected areas. The environmental sustainability of development in rural areas is a deep concern, and this bodes ill for rural food security in the medium and long term.

-- Further efforts could be made to enhance the contribution

of the expatriate Guatemalan community in the U.S. and elsewhere to food security -- through remittances, investments and donations.

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